

(3) The relationship, if any, between the mining operations anticipated on the lands applied for and existing or planned mining operations, or facilities incidental thereto, on adjacent Federal or non-federal lands.

**§ 3563.2 Review of application.**

**§ 3563.2-1 Preference right determination.**

The authorized officer shall determine whether the permittee has discovered a valuable deposit of any mineral covered by the prospecting permit. The determination shall be based on data furnished the authorized officer by the permittee as required by part 3590 of this title during the life of the permit and supplemental data submitted at the request of the authorized officer to determine the extent and character of the deposit, the anticipated mining and processing methods, the anticipated location, kind and extent of necessary surface disturbance and measures to be taken to reclaim that disturbance.

**§ 3563.2-2 Surface management agency.**

The surface management agency, if other than the Bureau, shall review the application for preference right lease in accordance with § 3500.9 and part 3580 of this title, as applicable. The appropriate surface management agency may request supplemental data regarding surface disturbance and reclamation if not otherwise submitted under § 3563.1-2 of this title. On acquired lands administered by the Secretary of Agriculture, supplemental data in addition to that submitted under § 3563.1-2 of this title may be required. Such data will be used in the development of environmental analyses and special stipulations.

**§ 3563.3 Issuance of lease.**

The authorized officer shall issue a lease to the holder of a prospecting permit who shows that, within the terms of the permit, a valuable deposit of any mineral(s) covered by the prospecting permit was discovered.

**§ 3563.4 Rejection of application.**

(a) The authorized officer shall reject an application for a preference right

lease if the authorized officer determines:

(1) That the applicant did not discover a valuable deposit of any mineral covered by the prospecting permit;

(2) The applicant did not submit in a timely manner requested information; or

(3) The applicant did not otherwise comply with the requirements of this subpart.

(b) On alleging in an application facts the applicant believes to be sufficient to show entitlement to a lease, a permittee shall have a right to a hearing before an Administrative Law Judge in the Office of Hearings and Appeals.

(c) At the hearing, the permittee shall have both the burden of going forward and the burden of proof by a preponderance of the evidence that a valuable deposit of the mineral(s) was discovered.

**Subpart 3564—Competitive Leasing**

**§ 3564.1 Lands subject only to competitive leasing.**

Lands where prospecting or exploratory work is unnecessary to determine the existence or workability of a valuable deposit of a particular hardrock mineral may be leased only through competitive sale to the qualified bidder who offers the highest acceptable bonus bid. A competitive lease sale may be initiated either through an expression of interest or on Bureau motion.

**§ 3564.2 Surface management agency.**

Prior to competitive lease offering, the surface management agency, if other than the Bureau, shall be consulted in accordance with § 3500.9 and part 3580 of this title, as applicable. (See also § 3560.3)

**§ 3564.3 Sale procedures.**

**§ 3564.3-1 Publication and posting of notice.**

Prior to a lease offering, the authorized officer shall publish a notice of lease sale for at least 3 consecutive weeks in a newspaper of general circulation in the area in which the lands